



Auswärtiges Amt

Germany's Arctic policy guidelines

Assume responsibility, seize opportunities.



Frontcover photo:
Research icebreaker "Polarstern" at the
North Pole, 26th Arctic expedition 2011,
Mario Hoppmann/
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The Federal Government

- views the Arctic as a region in transition. Due to global warming and the rapid increase in the melting rate of the polar ice sheets, the Arctic is of steadily growing geopolitical, geo-economic and geoecological importance for the international community. The Federal Government therefore aims to take the specific nature of the Arctic into account and to make it a central focus of German policy.
- sees the great potential for the economies of Germany and Europe that Arctic resources hold. At the same time, major ecological challenges must be met by enforcing the highest environmental standards when developing these resources.
- stresses the importance, from a global point of view, of protecting the Arctic environment through circumspect and precautionary action. The Federal Government is pressing for the establishment of protected areas to maintain Arctic biodiversity.
- is convinced that, as a partner with vast expert knowledge in the areas of research, technology and environmental standards, Germany can contribute to sustainable economic development in this region. The Federal Government is ready to embark on maritime-sector cooperation (e.g. in the area of polar technology) with countries bordering the Arctic Ocean.
- is campaigning for freedom of navigation in the Arctic Ocean (Northeast, Northwest and Transpolar Passages) in accordance with high safety and environmental standards.
- is working to guarantee the freedom of Arctic research, based on the conviction that scientific findings are of fundamental importance for Arctic policy.
- is committed to ensuring that the Arctic is used for peaceful purposes only.
- remains committed to international and regional conventions – in particular the United Nations Convention on the Law of the Sea, the MARPOL Convention, the conventions for the protection of the marine environment and on biological diversity, and the Spitsbergen Treaty – which form the legally-binding framework for states' rights and obligations with respect to the Arctic.

- recognises the special situation of indigenous peoples in the Arctic and campaigns for the protection of their right to a free and self-determined life in their homeland.
- favours multilateral cooperation on Arctic issues, first and foremost in the Arctic Council, which is the only pan-Arctic regional forum and high-ranking intergovernmental decision-making body. The Federal Government aims to strengthen Germany's observer status in the Arctic Council.
- supports an active EU Arctic policy and is working to ensure horizontal coherence on Arctic issues within the Common Foreign and Security Policy, as well as in the domains of research, environmental protection, energy and raw materials, industry and technology, transport, and fisheries.

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I. The Arctic – a region in transition

With the melting of the Arctic sea ice during the last decades due to global warming, this region is becoming ever more important for Germany, the European Union and the international community, both in geopolitical and in geoeconomic terms. The heart of the Arctic – that is, the area within the Arctic Circle – is the Arctic Ocean, which currently is still covered year round by a layer of ice that varies in shape according to the seasons. With global warming, the polar ice cap shrinks drastically during the summer months, so that the idea of an ice-free Arctic Ocean in summer may become reality in the foreseeable future. The Arctic is therefore one of the first regions on our planet in which climate change is bringing about a fundamentally new geographic constellation. The consequences are many and diverse: these developments generate both opportunities and risks, and their effect is felt far beyond the Arctic region as such. They touch upon environmental, economic, research and safety issues, and are becoming a focus of foreign and European policy.

Although the special characteristics of the Arctic region make it difficult to arrive at an agreed international political and legal framework, Germany believes this underscores just how badly such a framework is needed, for the Arctic comprises not only the Arctic Ocean, which is bordered by the continents of Europe, North America and Asia, but also the northernmost areas of the Atlantic Ocean (i.e. the Norwegian Sea and the Greenland Sea), to which the Arctic is connected via the Fram Strait, as well as Baffin Bay, the Nares Strait and, finally, the Bering Strait, which connects the Arctic with the Pacific Ocean. The Arctic also includes parts of the landmass of Russia, the United States (Alaska), Canada, Denmark (the autonomous Danish-dependent territory of Greenland), Norway (including Spitsbergen) and Iceland. Approximately ten percent of the four million people in the Arctic belong to the more than 30 groups of indigenous peoples who inhabit the Arctic region.

The Arctic holds sizeable oil and natural gas reserves, as well as mineral resources. Development of these has already begun and will increase in years to come, due to shrinking Arctic sea ice. At the same time, new opportunities are arising in this connection, for example for fisheries, maritime routes and tourism. All economic activities in the sensitive Arctic ecosystem must go hand in hand with high economic and safety standards.

Particularly in the Arctic, precautionary action must be taken to protect the environment. The lack of absolute scientific certainty is no reason to delay action, if there is a danger of severe or lasting damage being done.

There is worldwide consensus on the aim of limiting man-made global warming. This is often referred to as the 2°C target. Efforts to slow the rapid further increase in greenhouse gas emissions have been unsuccessful so far. Already today, the consequences of climate change in the Arctic are dramatic. The Arctic region is currently warming at twice the rate of other areas on the planet, compared to the global average. One contributing factor is the melting of the Arctic sea ice, which is shrinking in size and thus reflects less sunlight back into space. Soot emissions, or “black carbon”, also increase the melting of sea ice. Climate change therefore becomes first and most clearly visible in this region, which functions as the earth’s “early warning system”. In recent years, the Arctic summer ice cap has shrunk by an area equivalent to four times the size of Germany. According to model calculations, in 20 to 30 years the Arctic Ocean will be mostly free of ice during the summer months, and therefore increasingly navigable. Already now, atmospheric circulation over the northern hemisphere is changing, and this is affecting the weather patterns of Northern Europe. Not only the shrinking sea ice in the Arctic Ocean, but also the increased melting of the Greenland ice sheet and the thawing of the permafrost that covers a considerable area of the Arctic, have a global effect. This will also directly impact Germany. The thawing polar ice caps already now are considerably contributing to the global rise in sea levels. By the end of the century, a rise of up to one meter or even more is expected. The greenhouse gases stored in the Arctic permafrost (methane in particular) may be released into the atmosphere if the trend continues, which would worsen global warming. Moreover, increased development of Arctic resources could amplify global greenhouse gas emissions.

With a high profile in polar research, strong political engagement and active participation in discussions about the future and the sustainable development of the Arctic, Germany is an international actor in the High North. Germany has hosted three international Arctic conferences in Berlin: a first in cooperation with Norway and Denmark in 2009, a second with Finland in 2011, and a third with Norway in 2013. Germany is a signatory of the Spitsbergen Treaty and has permanent observer status on the Arctic Council.

II. The Arctic from a German perspective: opportunities and risks

Seize economic opportunities

With the Arctic ice melting rapidly, access to the region's raw materials is drawing ever closer. This is creating great economic opportunities, but it also carries substantial risk for nature and the environment. Some 20 to 30 percent of the world's undiscovered fossil fuels, such as oil and natural gas, are suspected to lie north of the Arctic Circle. The region is also believed to be rich in metals such as copper, nickel, zinc and rare earths. For industry and consumers in Germany, it is of crucial importance to ensure a supply of energy that is both stable in the long term and environmentally sound. The same applies to the sustainable supply of raw materials. Within this context, raw material deposits in the Arctic could be used to supply Germany with resources. Presently, Germany obtains a large share of the oil and natural gas it requires from Norway and Russia, countries that are already now developing Arctic raw materials.

Harsh climatic conditions and the technical challenges that need to be mastered to access Arctic raw materials, as well as the particularly sensitive Arctic environment, are leading to an increased need for specialised technology and know-how. New opportunities are opening up for German companies. There is great potential for German maritime technologies, due to the increasing importance of the sea in the development of raw materials. The National Master Plan for Maritime Technologies (NMMT) agreed in 2011 aims to help unlock the full potential of these technologies. By driving forward this cutting-edge maritime technology that meets high environmental standards, high-quality jobs are being created and secured in a key future market that is of great strategic importance.

Furthermore, the increasingly ice-free Arctic Ocean is also enlarging fishing grounds in the High North. Already today, some 50 percent of the fish caught in the Arctic Ocean are consumed in the European Union. Through the international fisheries organisations, Germany and the EU are working to protect and ensure the sustainable development of living marine resources in the Arctic region.

Set exemplary environmental standards

As countries around the world compete for natural resources and energy, and in view of growing worldwide demand for energy and raw materials, increasing attention is being paid to the Arctic region. Germany and its companies have an interest in gaining access to the Arctic's sizeable reserves. At the same time, Germany's Arctic policy, which is strongly committed to global environmental protection, stresses the importance of developing Arctic resources in a peaceful and sustainable way, by ensuring that the highest environmental standards are met and the principle of precautionary action is adhered to, and by respecting the concerns of the indigenous population. Germany believes this includes the ecologically sustainable development of mineral resources in the Arctic.

The positive economic prospects that are being created by the warming of the Arctic region may also carry considerable risks. Development of Arctic mineral resources and increased shipping can endanger the environment and health of the indigenous peoples. Other problems are created by the introduction of invasive species or by increased soot deposits stemming from the burning of heavy fuel by ships. The so-called "black carbon" in the exhaust generated by the burning of fossil fuels poses a health risk to the Arctic population. It is also deposited on the ice, which further accelerates melting. The Federal Government is working hard to ensure that environmental protection and sustainability aspects are respected by all economic activity in the Arctic, which includes shipping. It particularly advocates taking preventive and effective multilateral action to protect this environmentally highly sensitive region against oil pollution, which may be caused by the operation of vessels, or by the very real risk of maritime accidents.

Safeguarding the unique environment and living conditions of the Arctic, and protecting the region's biodiversity, are of the highest priority. Since this is such an ecologically significant and sensitive region, the principles laid down in the Convention on Biological Diversity (CBD), the decisions of the United Nations concerning the protection of marine biodiversity in the Arctic, as well as the Convention for the Protection of the Marine Environment of the North-East Atlantic (OSPAR Convention) must be applied and implemented. The Federal Government therefore supports efforts to pinpoint ecologically and biologically unique areas, and to establish a representative and coherent network of marine protected areas, with a view to safeguarding biological diversity in the Arctic.

Freedom of navigation

With the shrinking of the Arctic sea ice, the Northeast and Northwest Passages along the northern shorelines of Europe, Russia, Asia and America are becoming increasingly navigable during the summer months. A Northeast Passage that is ice-free year round would be the shortest shipping route between the ports of Europe's Northern Range and East Asia. Here, the advantages of shorter shipping routes must be weighed against several factors: the sea ice's unpredictability, the fact that, as of yet, there is insufficient emergency rescue capacity, and the lack of Arctic-capable cargo ships. Nevertheless, shipping is set to significantly increase, predominantly due to the development of new resources.

The Federal Government actively backs the opening of new shipping routes in the Arctic. As one of the world's largest importing and exporting nations, Germany has a strong interest in new passageways to East Asian trading centres. Germany has the third-largest merchant marine in the world and the world's largest fleet of container ships. In future, a Northern Sea Route could create significant opportunities for German shipping, thanks to shorter travel times, less fuel use and lower costs. Cruise companies also stand to profit from such routes. To provide sustainable tourism, however, they must meet the most stringent safety and environmental standards. Already today, cruise companies are looking towards the Arctic, both as a destination and a future sea route. Yet there still is a very large risk of collision with sea ice or icebergs.

To prepare for use of the Arctic Ocean by merchant vessels, the Federal Government, in cooperation with the countries bordering the Arctic Ocean, is working to bring about a balanced and sustainable solution. The aim is to improve, to the greatest extent possible, the bureaucratic, infrastructure-related and legal framework conditions. High safety and environmental standards are an absolute prerequisite for shipping and maritime transport in the Arctic region. Germany supports efforts to ensure that existing shipping regulations, as well as the environmental and safety standards of the International Maritime Organization (IMO), are equally implemented for all vessels, regardless of their flag state. At the same time, IMO environmental and safety standards must be re-examined on a regular basis and adapted to the polar regions (also through development of the Polar Code), to meet the special challenges posed by the Arctic environment.

To ensure the safety of shipping, the necessary technical prerequisites must first be created. The Federal Government is campaigning within IMO to achieve better maritime surveillance, infrastructure expansion, and Arctic search and rescue capabilities. Sea marks, nautical charts, lines of communication, and outposts need to be established as widely and extensively as possible. The international community must develop a binding disaster response mechanism for the Arctic Ocean that creates capabilities for early warning, prevention, and remedying damage.

The Federal Government is working hard to ensure free, safe and peaceful passage through Arctic waters in compliance with strict environmental guidelines. Thanks to the increasing navigability of the Arctic Ocean, there is great potential in the market for innovative ship-building that meets high environmental standards. Germany, especially through its shipyards and maritime contractors, is a global leader in this domain. German companies have specialised in building innovative and environmentally-friendly ship propulsion systems, special vessels, including ice class ships, as well as cutting-edge, environmentally-friendly maritime technology.

Freedom of scientific research

Since states' exclusive economic zones extend to a distance of 200 nautical miles from their shores, and considering that, according to the Convention on the Law of the Sea, countries bordering the Arctic Ocean can under certain conditions claim sovereign rights with respect to their continental shelf that extend beyond 200 nautical miles, the freely-accessible area for research activities has become more and more restricted. Coastal states have the right to regulate and authorise maritime research within these zones. However, they are also under an obligation to foster international cooperation. It is in the interest of the international community to uphold the right to scientific research in these maritime areas, as well.

Germany is internationally recognised for and very active in a wide range of Arctic research activities. The Alfred Wegener Institute, Helmholtz Centre for Polar and Marine Research (AWI) is one of the world's leading research institutes based in Germany that studies climate change, changes in sea ice, and biological diversity, as well as oceanographic, biological and geological changes in the polar regions. Together with France, it operates its own Arctic research base on Spitsbergen. The AWI has significant and broad expertise, also through its collection of long-term data. This knowledge base is made available to inform future

discussions on all issues related to the Arctic. The Federal Institute for Geosciences and Natural Resources (BGR) conducts research on the structure of the earth's crust and geodynamic developments in the Arctic, in addition to verifying the existence of deposits of raw materials. The Federal Government does its part to support international cooperation in all areas of Arctic research through the International Arctic Science Committee (IASC), which is based in Potsdam. It is the leading forum for cooperation among all states and scientific bodies involved in Arctic research. German institutes participate in research programmes of the EU, the Nordic Council and the Arctic Council. The European Polar Board (EPB) consists of a group of experts of the European Science Foundation which is headquartered in Strasbourg and provides advice on research in polar regions. Similar advisory bodies exist for the Nordic and Pacific countries. The Federal Government is working to improve the conditions for research and to enhance joint use of research findings related to this sensitive ecosystem, as well as to promote responsible and independent international polar research that meets high environmental standards. Considering that countries bordering the Arctic Ocean are seeking to expand their respective continental shelves, which would further reduce freely-accessible international maritime areas, this issue is likely to become increasingly prominent with regard to the Arctic Ocean.

Security and stability

It is difficult to predict what political developments will arise from the changes taking place in the Arctic – as these developments will also be influenced by how rapidly and to what extent economic development occurs in this region and passages become navigable. Overlapping interests of Arctic countries could, for example, trigger a geopolitical race for sovereignty, or for rights to develop the seabed and its natural resources, which would pose an economic, environmental and security policy threat to stability in the region and would also affect Europe's security interests. Including the Arctic region in a system that guarantees multilateral stability is therefore of crucial importance. The Federal Government backs preventive action that aims to avoid conflicts through confidence-building measures, cooperation and coordination, and works to settle disagreements through consensual solutions based on existing legislation.

III. Germany's Arctic policy: engagement at the European and international level

It is a priority of the Federal Government to ensure that Arctic resources are used in a sustainable way, in the interest of the Arctic countries and of the international community, and in a way that respects the Arctic's environment and indigenous peoples. Increased use should be made of existing structures in regional and multilateral institutions, to promote scientific collaboration and international cooperation with a view to tackling challenges and seizing economic opportunities in the Arctic region.

Political attention must also focus on the indigenous population in the Arctic region. Here, conflicts may arise, for example when countries bordering the Arctic Ocean assert claims to territorial sovereignty in this region. Global warming is changing the local ecosystems in a major way, and thus significantly impacting the environment, livelihood and culture of the indigenous peoples. This population's right to a self-determined and free life in their homeland must be protected. In this connection, attention must be paid to respecting the indigenous peoples' territorial claims, ensuring that they share in the profits of Arctic economic development, and that they can adapt to the significantly changed living conditions.

The Federal Government remains committed to existing multilateral agreements and treaties that are of relevance for the Arctic, such as the United Nations Convention on the Law of the Sea, the International Convention for the Prevention of Pollution from Ships (MARPOL Convention) and regional conventions such as the Convention for the Protection of the Marine Environment of the North-East Atlantic (OSPAR Convention). It advocates consistent implementation of these instruments. From Germany's perspective, legally-binding regulations are required for the exploration and development of mineral resources. This includes, among other things, setting high environmental standards, developing multinational strategies for protecting the environment in the event of accidents, and establishing a binding regime concerning environmental damage and liability.

United Nations Convention on the Law of the Sea

Among the international conventions that are of relevance for the Arctic, the United Nations Convention on the Law of the Sea (UNCLOS), which was concluded in 1982, is particularly

important. The UNCLOS plays a key role in clarifying usage rights and regulatory powers, by introducing regulations that delimit the coastal areas and maritime zones of the states parties. This can prevent conflict between states over maritime boundaries. The UNCLOS has been ratified by 165 countries, including all countries bordering the Arctic Ocean – with the exception of the United States, which does, however, recognise and implement large parts of the UNCLOS as customary international law. The five coastal states of the Arctic Ocean met in Ilulissat, Greenland, in 2008, where they reconfirmed their commitment to the law of the sea, but also clearly stated that they do not desire to conclude an agreement similar to the Antarctic Treaty. For their part, Germany and the EU also remain committed to the UNCLOS.

The UNCLOS is a valuable instrument for delimiting maritime boundaries and clarifying the resulting development rights. However, the regulations set out therein are limited in scope, and they do not resolve all issues related to the Arctic. UNCLOS states parties have the right to claim a territorial sea of up to 12 nautical miles, and, as a rule, an exclusive economic zone of up to 200 nautical miles. The latter regulation gives these states the sovereign right to utilise marine resources, as well as resources on and under the seabed. If a coastal state wishes to obtain access rights to mineral resources beyond the 200-mile zone, it must either apply for extension of its continental shelf with the Commission on the Limits of the Continental Shelf, or it can submit a request to the International Seabed Authority, which administers mineral resources and activities related to the deep seabed, as the common heritage of mankind.

The UNCLOS contains obligations for the protection of the marine environment. All states parties are bound to prevent, reduce and control pollution of the marine environment. For this purpose, they may set out regulations governing the economic development of the seabed in maritime zones over which they have sovereignty. They are also to a limited extent authorized to impose regulations to prevent marine pollution by ships in their exclusive economic zones in ice-covered areas.

Arctic Council

In Germany's view, the most central body for Arctic policy is the Arctic Council, which was established in 1996 and is the only regional forum dealing with Arctic issues. The significance of the Arctic Council as a forum for international cooperation is steadily increasing – to the same extent that interest in the region is growing. With its increased workload and

importance, the Arctic Council is becoming more and more institutionalised, and the issues it deals with are gaining in scope. However, the body still does not address any questions related to security. A permanent Arctic Council secretariat opened in Tromsø, Norway, in 2013. The Federal Government welcomes this development towards more well-defined structures, since it will make the Arctic Council stronger and more effective. The Agreement on Cooperation in Aeronautical and Maritime Search and Rescue in the Arctic, which was signed by Arctic Council members in February 2011, is the first binding international agreement drawn up exclusively for the Arctic. This represents progress towards setting up a specially-tailored legal regime for the region. For the same reason, Germany welcomes the Agreement on Cooperation on Marine Oil Pollution, Preparedness and Response in the Arctic, which was signed by Arctic Council members in May 2013.

The Arctic Council, which comprises Denmark (Greenland, the Faroe Islands), Iceland, Norway, Sweden, Finland, Russia, the United States (Alaska), Canada, and several organisations of indigenous peoples, as well as a number of countries with permanent observer status, represents a unique opportunity for balancing regional and international interests in the Arctic through multilateral cooperation. The Federal Government fully recognises the special role that the countries bordering the Arctic Ocean have assumed in the Arctic Council.

The other observer countries besides Germany are France, Poland, the Netherlands, Spain, the United Kingdom, Italy, Japan, China, South Korea, India and Singapore. The Federal Government is aware of the global consequences of developments in the Arctic region, including their political, economic and environmental significance, and Germany is therefore prepared to do its share as an observer country. Germany is widely viewed as a partner with substantial know-how in the areas of research, technology and environmental standards and is seeking to more strongly and creatively put this know-how to use. This is why the Federal Government is interested in increasing Germany's ad hoc participation in Arctic Council working groups. The Federal Government has also suggested it may be useful to extend observer countries' participation rights on a case-by-case basis, if an observer can substantially contribute to resolving an issue.

International Maritime Organization

For all issues concerning shipping in the Arctic, the International Maritime Organization (IMO) is the foremost body for multilateral cooperation. In 2002, IMO drafted guidelines for ships operating in areas of the Arctic Ocean covered by ice. The Federal Government is campaigning for making these guidelines binding and for further adapting them to the special conditions in the Arctic. As an official member of the body, Germany supports work within IMO on drawing up, and has been instrumental in moving forward, the so-called “Polar Code” for both polar regions. This sets out technical requirements for ships and crews. It also contains a chapter dedicated to the environment, with binding regulations regarding waste and wastewater that go beyond those introduced by the International Convention for the Prevention of Pollution from Ships (MARPOL Convention). The MARPOL Convention is a second key IMO instrument that is of relevance for the Arctic. Within IMO (and with the participation of all flag states), it makes a valuable contribution to the development of environmentally-friendly technology (not only for cargo ships, but also for companies involved in the development of raw materials). By making full use of the MARPOL Convention, the Federal Government is seeking to bring about the highest possible international environmental standards for shipping in this sensitive marine area. Through its involvement in the development of the Polar Code at IMO, Germany is campaigning to have the same special shipping regulations established for the Arctic that already exist for the Antarctic, and to have the Arctic either wholly or in part declared a special area. This would include a ban on the transport or use of certain oils, as well as stricter regulations on wastewater discharge. Declaring the Arctic an emission control area, for example, would create the prospect of reducing sulphur and nitrogen oxide emissions. Another possibility would be to declare the Arctic Ocean a particularly sensitive sea area, which would further reinforce safeguards that have already been put in place.

The OSPAR and NEAFC Commissions

The OSPAR Convention for the Protection of the Marine Environment of the North-East Atlantic is the only regional marine convention of its kind. The area it covers includes the Atlantic section of the Arctic Ocean, which extends up to the North Pole. For more than 40 years, the 16 members of the OSPAR Commission (which includes Germany and the Arctic Council states Denmark, Finland, Iceland, Norway and Sweden) have been drafting pioneering regulations for the protection of the North-East Atlantic. The commission also

conducts regular assessments of marine environmental quality, particularly in the Arctic sector. As an active member of the OSPAR Commission, Germany supports the creation of a global and coherent network of marine protected areas, which must also include the polar regions of the Arctic Ocean. This could move forward implementation of the regulations contained in the Convention on Biological Diversity. In addition, the OSPAR Commission examines activities in the Arctic, such as the development of oil and natural gas. Germany is working within these structures to create special environmental standards for the Arctic.

One area not covered by the OSPAR Commission's mandate or by its regulations is fisheries. This domain is addressed by the North East Atlantic Fisheries Commission (NEAFC), which covers almost exactly the same geographic area as the OSPAR Commission. Together, both regional conventions provide a good platform for discussions among stakeholders of ways to ensure environmentally and climate-friendly development of resources in the Arctic region of the North Atlantic, and to take forward action in this regard. The European Commission, which represents the interests of the EU as a whole, is a full member of OSPAR and represents the EU member states in NEAFC.

European Union

The Federal Government favours and supports an active role by the European Union in Arctic policy, as set out in the European Union strategy for the Arctic. In June 2012, the European Commission published a communication entitled "Developing a European Union Policy towards the Arctic Region: progress since 2008 and next steps", so as to provide impetus for a systematic EU Arctic policy.

To establish awareness of, and horizontal coherence on, Arctic-related issues, the Federal Government is working to promote the Arctic dimension within the EU Common Foreign and Security Policy, as well as in the domains of environmental protection, research, industry and technology, energy and raw materials, transport, and fisheries. The aim is to make Arctic policy part of long-term strategic planning within the EU.

Close coordination must be ensured between the Northern Dimension policy (ND) and the continually developing Arctic policy of the European Union. Geographically, the Northern Dimension focuses on northwest Russia, on the Baltic and Barents Seas, as well as on the Arctic and Sub-Arctic areas of the European continent ("Arctic Window"). It should be assessed to what extent the Northern Dimension Environmental Partnership can be used to

more strongly promote projects in the Arctic region.

The European Union has submitted its candidacy for observer status in the Arctic Council. The EU has for some time now been providing substantial funds for polar research (some EUR 200 million over the past ten years), and it is supporting the sustainable development of Greenland through the EU-Greenland Partnership Agreement. In addition, the EU has legitimate interests in the Arctic because of its geographic and political proximity, resulting from some of its Member Countries being either members of, or permanent observers in, the Arctic Council. Three Arctic Council members are also EU member states. Accession by Iceland to the European Union would increase this number to four. Norway is bound to the EU by an agreement establishing a framework for Norwegian participation in EU civilian and military crisis management operations. The Arctic countries Canada, Russia and the United States are strategic partners of the EU. The EU can also support the Arctic Council's work by sharing its extensive experience with multilateral instruments, as well as by coordinating various positions and perspectives.

The Federal Government encourages the promotion of investments in parts of the Arctic through the European Investment Bank (EIB), particularly in the domains of energy, environmental, transport, and research infrastructure.

The Federal Government supports the Barents Euro-Arctic Council (BEAC) as a suitable framework for addressing in detail Arctic issues specific to the Barents Sea. The BEAC was established in 1993 by Denmark, Finland, Iceland, Norway, Sweden, Russia and the European Commission to promote regional cooperation in the Barents region and to mitigate environmental threats. It encourages cross-border promotion of economic and social developments in the region.

Bilateral relations

The Federal Government maintains friendly and intensive bilateral relations with the member states of the Arctic Council and is particularly interested in cooperating on Arctic policy issues. These should be discussed within existing bilateral structures and bodies.

The Federal Government does its part to address Arctic policy issues during regular bilateral, European, security and economic policy consultations with members of the Arctic Council such as Finland, Norway, Iceland and Sweden, and at meetings with other important actors

such as the United States, Canada, Russia and China. It seizes such opportunities to bilaterally discuss not only assessments on developments related to the Arctic, but also various projects, such as joint investment in infrastructure. Moreover, the Federal Government conducts exchanges with other permanent observers on Arctic policy questions. Denmark, for example, is a particularly important partner for Germany with regard to Arctic policy.

Forums for security cooperation

While the Federal Government is convinced that the Arctic must be used for peaceful purposes only, it recognises that security issues do arise in conjunction with developments in the Arctic, and that possible security risks need to be addressed. From the Federal Government's perspective, NATO's wide-ranging partnership formats, which are open to all countries bordering the Arctic Ocean, provide suitable forums for dealing with Arctic security policy issues. If necessary, this can be supplemented with discussions in other groups, such as the Arctic Security Forces Roundtable, a forum that brings together the security forces of Arctic countries, and in which Germany and other European partners have an observer role.

IV. Summary

The Arctic is drawing increasing international attention – in a geopolitical, geoeconomic and geoeological sense. Man-made greenhouse gas emissions have triggered climate change, which is leading to rapid warming and increased melting of the ice sheets in the Arctic. At the same time, it is making accessible for economic use and development areas in the Arctic region that may hold large deposits of raw materials. Although these changes are creating significant economic opportunities, they also carry great risk for Arctic ecosystems. Development of Arctic raw materials, which is already under way, can contribute to energy and raw material security in Germany and the EU. The prospects for German companies are bright. However, the Federal Government strongly emphasises the need for peaceful, environmentally-friendly and sustainable economic development of Arctic resources. This includes setting the very highest environmental standards and establishing a regime of liability for environmental damage. The countries bordering the Arctic Ocean and the other members of the Arctic Council play a special political role in this regard.

The Federal Government is seeking to make the Arctic region an ever stronger focus of German policy, which includes taking into account the specific nature of the Arctic, such as its ecological sensitivity and the concerns of the indigenous population. With its know-how in cutting-edge research, sophisticated technology, and high environmental standards, Germany is in a position to support sustainable economic development in the Arctic. The Federal Government is campaigning to ensure free passage by international vessels through Arctic maritime routes, and it fully backs high safety and environmental standards for shipping.

Safeguarding the Arctic's unique environment, living conditions and biological diversity, also through establishing protected areas, is a high priority for the Federal Government. It stresses the importance, from a global point of view, of protecting the Arctic environment through circumspect and precautionary action.

The Federal Government places great importance on polar research. The knowledge gained through these activities is a key factor in understanding the Arctic region and shaping Arctic policy. Enabling free and responsible scientific research based on cooperation, as well as enhancing the conditions for research, should be a high priority of the international community.

The Federal Government remains committed to existing international agreements and treaties that are of relevance for the Arctic. The United Nations Convention on the Law of the Sea, the MARPOL Convention, the conventions for the protection of the marine environment and on biological diversity, as well as regional agreements, are particularly significant in this regard. Effective action must be taken to close existing loopholes with respect to the Arctic, for example through the development of the Polar Code by the International Maritime Organization. The Federal Government favours multilateral co-operation on Arctic issues, first and foremost in the Arctic Council, which is the highest-ranking decision-making body for the Arctic. Through Germany's observer status, it aims to step up its engagement in this body.

The Federal Government supports an active EU Arctic policy and is working to ensure strategic integration of, and horizontal coherence on, Arctic issues with respect to the EU's Common Foreign and Security Policy, as well as to the domains of environmental protection, research, industry and technology, energy and raw materials, transport, and fisheries.

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